

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6863

BILL NUMBER: HB 1699

NOTE PREPARED: Jan 13, 2007

BILL AMENDED:

SUBJECT: Deadline for appealing tax assessment.

FIRST AUTHOR: Rep. Smith M

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill extends the deadline for certain appeals of property tax assessments until 45 days after receipt of the statement of taxes on the assessment. It also establishes a deadline for appeal of assessments for the assessment date in 2006.

Effective Date: Upon passage; January 1, 2008.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under current law, for an appeal of an assessment to be effective with taxes payable in the next year, the a request for a preliminary conference with the assessor must made within the time limits as follows:

- 1) If a notice of a change in assessment is given to the taxpayer, the request must be made within 45 days after the notice is sent;
- 2) For taxes payable through 2009, if no notice of change is given, the request must be made by May 10 of the assessment year; or
- 3) Beginning with taxes payable in 2010, if no notice of change is given, the request must be made

within 45 days of the statement of assessed value and estimated taxes that county auditors must mail (beginning in 2009) to each taxpayer by August 10 of the assessment year.

Beginning with taxes payable in 2008, this bill would change the deadline to request a preliminary conference as follows:

- 1) If a notice of a change in assessment is given to the taxpayer, the request must be made within 45 days after the notice is sent or 45 days after the taxpayer's receipt of the tax bill or statement of taxes, whichever is later;
- 2) For taxes payable through 2009, if no notice of change is given, the request must be made by May 10 of the assessment year or within 45 days after the taxpayer's receipt of the tax bill or statement of taxes, whichever is later;
- 3) (With no change) Beginning with taxes payable in 2010, if no notice of change is given, the request must be made within 45 days of the statement of assessed value and estimated taxes that county auditors must mail (beginning in 2009) to each taxpayer by August 10 of the assessment year; or
- 4) (New) To appeal a change in assessment due to annual adjustments (trending) for which a notice of change is not given, the request must be made within 45 days after the taxpayer's receipt of the tax bill or statement of taxes.

Also, for taxes payable in 2007:

- 1) Where a notice of change *is given*, the deadline to request a preliminary hearing would be the later of (1) 45 days after the receipt of the tax bill by the taxpayer or mortgagee, or (2) July 1, 2007; and
- 2) To appeal a change due to trending where a notice of change *is not given*, the deadline to request a preliminary hearing would be the later of (1) 45 days after the receipt of the tax bill by the taxpayer or mortgagee, or (2) July 1, 2007.

These changes in appeal deadlines would allow appeals to be filed after assessed values (AV) are certified and tax rates are set. County auditors may currently reduce the certified AV by the amount needed (up to 2% of total AV) to absorb the effects expected to result from successful appeals. Successful appeals filed after tax rates are set would result in a reduction of property tax collections for civil taxing units and school corporations. The amount of revenue reduction would depend on the magnitude of later filed appeals.

State Agencies Affected: Department of Local Government Finance.

Local Agencies Affected: County assessors; Township assessors; County property tax assessment boards of appeals (PTABOA); County auditors; All taxing units.

Information Sources:

Fiscal Analyst: Bob Sigalow, 317-232-9859.